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ECONOMIC COMMISSION FOR AFRICA

Nineteenth session of the Commission and tenth meeting of the Conference of Ministers

Addis Ababa, Ethiopia, 24-28 May 1984

DRAFT REPORT OF THE WORKING GROUP IN NEW YORK ON THE INITIATIVE OF THE UNITED NATIONS SECRETARY-GENERAL ON THE CRITICAL ECONOMIC SITUATION IN AFRICA TO THE 10TH MEETING OF ECA CONFERENCE OF MINISTERS, ADDIS ABABA, 24-28 MAY 1984

(This report has been adopted by the Working Group on Economic Questions of the African Group in New York and is subject to final endorsement of the African Group of the Whole.)

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Introduction

1. Following the announcement of the United Nations Secretary-General's initiative on January 9, 1984, the African Group in New York welcomed the initiative, and established a Working Group to monitor and follow-up the initiative, and to present recommendations to the African Group with a view to preparing an input in the 10th Conference of Ministers of the Commission

2. The Working Group met several times and conducted informal exchanges with senior officials of the United Nations Secretariat; there-after, the Working Group presented its recommendations to the Group of the Whole and on the basis of these recommendations, the African Group adopted this report.

3. Since most of the necessary information with regard to the Secretary-General's initiative will be presented by the ECA secretariat and in particular by the Secretary-General's personal representative, the report will not duplicate that effort, nor does it attempt to address all the details of the serious economic situation in Africa, and the actions necessary to deal with the situation.

4. This report, is, an internal African document addressed to the ECA Ministers by the African Group in New York. It should, therefore, be considered in that context. Although the report addresses a few points and presents a few recommendations, it is hoped that, as an input in the deliberations of the ECA meeting, it would be useful.

The Secretary-General's initiative and its potential

5. The United Nations Secretary-General's initiative is a culmination of several previous appeals, including General Assembly resolutions and appeals by FAO and other agencies, with regard to the deteriorating economic situation in Africa and the need for concerted international action to deal with it. Most of the previous calls and initiatives dealt with individual countries subregions, or sectors with particular emergencies like food situation and drought or particular problems like refugees. The Secretary-General's initiative, however, is a general appeal focusing attention to the serious situation facing almost all African countries, addressing the overall situation in Africa both in its emergency phase and medium- and long-term aspects.

6. Although the Secretary-General's initiative is addressed to the international community as a whole, and in particular to donor countries and the organizations of the United Nations system, its success, as a catalyst, would to a great extent depend on the proper pursuance and efforts of African Governments, individually and collectively, to keep it alive and to ensure that concrete results are achieved.

7. For African Governments the initiative and the involvement of the Secretary-General of the United Nations presents a good opportunity and a favourable atmosphere to achieve an effective mobilization of international support, translated into additional financial and technical resources. Since, in general, African countries have no access to capital markets, these additional resources must be concessional.

8. The initiative as well as the emergency situation also offer a suitable opportunity to African Governments to adopt concrete measures aimed at improving the management of external assistance, including its relevance, impact and better integration in the overall domestic developmental efforts and the national plans and priorities.

9. Since the countries of Africa are the subject and the beneficiaries of the Secretary-General's initiative, they have a special responsibility in supporting and furthering that initiative. The prevailing understanding and emergency support on the part of donors and international organizations should provide an incentive for vigorous action by African Governments to ensure the success, in concrete terms, of the initiative.

Recommendations

10. The following are a few recommendations that could complement or reinforce recommendations by the ministerial meeting. It should be reiterated here that the Lagos Plan of Action remains the basic blueprint for action by African Governments individually and collectively. Furthermore, the demands articulated by the Group of 77 and the non-aligned movement with regard to international economic co-operation in general, could be reflected, as they relate to Africa, in the recommendations of the ministerial meeting.

At the national level

11. To ensure the efficient and effective utilization of external resources, African Governments should exercise their central role in ensuring co-ordination at the national level of the activities of the organizations of the United Nations system and those of bilateral donors. To a large extent this role can be enhanced by the establishment or designation of an effective co-ordinating mechanism. This could be an existing institution, a new institution, an individual or a national multisectoral committee. The co-ordinating mechanism is a policy tool for the Government to ensure the co-ordination of the mobilization, utilization and monitoring of the external assistance from bilateral and multilateral sources, and to ensure the integration of this assistance in the overall efforts at the national level. The specific role and mandate will be determined by each Government.

12. The overall objective of the co-ordinating machinery is the efficient and effective use of existing or additional external resources, through:

(i) Providing an overview of the external inputs and their integration into national efforts;

(ii) Providing liaison at national level with the special representative of the Secretary-General, the United Nations Resident Co-ordinator, Representative of agencies, as well as with representatives of bilateral donors;

(iii) Ensuring the elimination of duplication in external assistance and the identification of gaps in the assistance;

(iv) Liaising and overseeing contacts and visits of missions to facilitate provision of information;

(v) Compile and present the urgent needs, in all fields.

At the international level:

General

African Governments should vigorously seek to improve both the volume and quality of external assistance from bilateral and multilateral donor countries and institutions.

Volume

There must be sustained pressure on donors to provide additional substantial resources to assist African countries in the emergency phase and the medium term in order to regain balance to resume sustained development. The solution to the economic situation in Africa must necessarily address both emergency situation as well as medium-and long-term aspects of the crisis.

Quality

Through internal policies and arrangements, and in consultations with bilateral and multilateral donors, African Governments should strive to improve the quality and effectiveness of assistance they receive through insuring:

- Reduction of the cost of aid, especially the cost of external consultants and experts. Serious effort through various ways and means should be taken to reduce the cost of aid, e.g. by greater reliance on local expertise, greater resort to TCDC, United Nations volunteers, short-term consultants, etc. The cost, duration, relevance and necessity of external expertise should always be vigorously examined, before it is accepted by Governments;

- Procedures and regulations of aid must continuously be simplified and streamlined in order to eliminate unnecessary delays at every step of the process. Speedy disbursement of resources should be ensured.

Resources

African Governments, individually and collectively, should vigorously support and complement the efforts of the United Nations Secretary-General and other efforts within the United Nations system, to mobilize resources to meet the immediate

needs of African Governments to deal with the emergency phase, as well as medium- and long-term aspects. Existing channels and opportunities, exclusively or partially targeted to Africa include:

(i) Appeals by FAO and other agencies for increased emergency food aid, including assistance in transporting, storing and distributing food aid;

(ii) Second International Conference on Assistance to Refugees in Africa for which detailed requirements and specific projects are provided by affected African Governments;

(iii) IFAD;

(iv) Replenishment of IDA or supplementary arrangement to meet the shortfall in resources;

(v) UNDP round tables, World Bank Consultative Groups and other consultative meetings, in which needs and proposed activities by individual African countries are examined;

(vi) Appeals for special economic assistance programmes for individual African countries;

(vii) Resources for various United Nations programmes and funds (UNDP, UNICEF...) and to special funds administered by UNDP (Sudano-Sahelian, CDF, special measures for LDCs ...);

(viii) Industrial Development Decade for Africa and Transport and Communication Decade;

(ix) Relevant facilities within IMF, World Bank, ADB and other regional institutions.

Further Recommendations

1. In view of the support and understanding prevailing in the donor community, the ministerial meeting should consider how to bring the situation in Africa to the attention of the London Summit of the seven major industrial countries (beginning June 1984). There are indications that this issue is likely to be considered by the Summit. African Governments should fully utilize this occasion.

2. The economic situation in Africa is a priority area for consideration in the second regular session of ECOSOC in Geneva (4-27 July). Participation of some African ministers in that debate is a significant political gesture.

3. The ministerial meeting could also consider other ways and means of following up the Secretary-General's initiative to ensure the mobilization of international support.